



Poudre School District Finance Frequently Asked Questions

1) What portion of PSD's General Fund expenditures are directly attributable to activity at school sites?

Approximately 75% of the District's General Fund expenditures are coded using a school location code. This means expenditures can be traced directly to (or identified with) a specific school location or level (e.g., elementary, high school, specific school etc.).

2) Does this mean that the remainder of General Fund expenditures are directly attributable to non-school sites?

No – this does not necessarily mean that the other 25% of General Fund expenditures cannot be traced directly to (or identified with) a specific location or level. For example, psychologists, occupational therapists, etc. serve multiple school locations; however, the District has coded the payroll assignments to a central location. Another example would be School Resource Officers (SROs). Up to this point, the District has not coded these assignments to the school location code.

New financial transparency requirements in Colorado mandate Districts to post school site level financial data beginning with 2015-16 data. In order to accurately reflect expenditures that can be traced directly to (or identified with) a specific school location, Finance staff may make changes in how some of the expenditures in this category are coded. These changes would increase the percentage of General Fund expenditures directly attributable to activity at school sites.

3) How much of the District's General Fund budgeted expenditures are allocated to schools in the form of Student-Based Budgeting (SBB)?

Approximately 50% of total budgeted PSD expenditures are allocated to schools in the form of SBB. Site administrators, in collaboration with School Accountability Committees, create a plan to use these resources. The plan includes allocating a portion to compensation (salaries and benefits) costs for location-specific assignments such as teachers, paraprofessionals, etc. Allocations for site operating supplies are also included in the plan.

4) Why do PSD schools only receive 50% of budgeted General Fund expenditures through SBB?

In addition to providing resources directly to the schools for staff and operating supplies (teachers, paraprofessionals and supplies at the school) via SBB, the District must also budget enough resources to cover necessary expenditures such as custodial costs, some Special Education costs, utilities, bus fuel, etc. Some of these expenditures can be traced directly to a school location or level (e.g., utilities, special education teachers and paraprofessionals, textbooks, etc.) However, the school does not have to

consider these expenditures when creating a plan to use their location's SBB even though the resources directly benefit the school.

5) What has been the historical trend of General Fund revenue?

General Fund revenue has three main components: State formula funding (determined by the School Finance Act), local revenue (primarily voter-approved Mill Levy Overrides) and State categorical program funding (Special Ed, ELL, Transportation, etc..) These items impact available resources.

Total resources are typically allocated on a per-pupil funded basis. PSD's funded pupil count varies each year.

Over the last decade, state formula funding was impacted by the "Great Recession" with the state applying a "negative factor" to the formula. This resulted in lower revenue to the district than promised in state law. During this same time frame, local revenue benefitted from the voter approved \$16 million mill levy override in 2010.

The table below shows changes to total General Fund revenue in the three main areas in the last decade. Revenue is expressed as dollars per funded pupil.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (est)	2015-16 (proj)
Revenue trends (general fund only)									
State formula (constitutional requirement)	5,419.34	5,730.15	6,122.90	6,295.88	6,548.92	6,886.24	7,198.63	7,494.74	7,868.77
Negative factor	(0.31)	(7.66)	(158.60)	(719.05)	(914.38)	(1,180.44)	(1,201.24)	(992.49)	(954.70)
State formula (net of negative factor)	5,419.03	5,722.49	5,964.31	5,576.83	5,634.54	5,705.80	5,997.39	6,502.25	6,914.07
Other local (primarily MLO)	1,124.96	997.16	1,017.26	1,345.44	1,557.35	1,688.21	1,800.40	1,657.31	1,607.65
State categorical	270.93	279.93	275.33	254.83	255.99	255.47	287.52	334.96	331.18
Other	7.66	8.41	9.84	266.87	11.00	4.50	4.38	4.92	4.82
	<u>6,822.58</u>	<u>7,007.99</u>	<u>7,266.73</u>	<u>7,443.97</u>	<u>7,458.89</u>	<u>7,653.97</u>	<u>8,089.68</u>	<u>8,499.44</u>	<u>8,857.71</u>
Funded pupils									
District	22,929.0	23,330.6	23,639.9	23,945.5	24,352.8	24,673.6	24,934.8	25,401.8	25,918.5
District charter schools	1,256.0	1,259.4	1,319.7	1,550.5	1,659.9	1,672.0	1,914.3	2,037.0	2,103.0
Total funded pupils	<u>24,185.0</u>	<u>24,590.0</u>	<u>24,959.6</u>	<u>25,496.0</u>	<u>26,012.7</u>	<u>26,345.6</u>	<u>26,849.1</u>	<u>27,438.8</u>	<u>28,021.5</u>
Total Revenue									
District charter school revenue	165,004,065	172,326,561	181,374,624	189,791,396	194,025,811	201,648,496	217,200,661	233,214,449	248,206,428
	<u>(8,397,776)</u>	<u>(8,649,350)</u>	<u>(9,398,103)</u>	<u>(11,311,034)</u>	<u>(12,133,388)</u>	<u>(12,541,493)</u>	<u>(15,176,355)</u>	<u>(16,967,093)</u>	<u>(18,255,217)</u>
Revenue available for District (non charter)	<u>156,606,289</u>	<u>163,677,211</u>	<u>171,976,521</u>	<u>178,480,362</u>	<u>181,892,423</u>	<u>189,107,003</u>	<u>202,024,306</u>	<u>216,247,356</u>	<u>229,951,211</u>

- Recession
- Budget
Reduction
3.5%

+ Voter +
Approved
2010 Mill
Levy

ELL removed
from SBB and
managed
centrally

6) What has been the historical trend of Student-Based Budgeting since inception?

The table below represents a high level summary of SBB allocations in PSD. Note: Alternative programs (Centennial HS, Poudre Community Academy, Poudre School District Global Academy) and the three mountain elementary schools are not included in SBB formulas.

SBB is based on the idea that dollars follow students. This includes base-level funding provided for all students, factor funding (additional funding for low income and GT students), size factors (adjustments for small schools) and a direct allocation from the 2010 Mill Levy Override.

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15 (est)	2015-16 (proj)
Student-based budget (excludes alternative programs)									
Base funding	\$3,390.01	\$3,527.51	\$3,530.51	\$3,371.64	\$3,371.64	\$3,432.65	\$3,501.14	\$3,599.49	\$3,735.40
Factor funding, size and averaging	\$520.22	\$528.60	\$525.87	\$497.24	\$496.26	\$500.45	\$503.38	\$551.60	\$540.61
2010 mill levy override (MLO)	\$0.00	\$0.00	\$0.00	\$0.00	\$252.63	\$249.73	\$246.58	\$242.49	\$237.68
Total funding per pupil	\$3,910.23	\$4,056.11	\$4,056.38	\$3,868.88	\$4,120.53	\$4,182.83	\$4,251.11	\$4,393.57	\$4,513.68
Total funded pupils - SBB schools only	22,030.0	22,877.6	23,109.9	23,341.7	23,663.1	23,938.0	24,243.2	24,653.0	25,151.9
Total SBB budget and school 2010 MLO	\$86,142,425	\$92,794,075	\$93,742,531	\$90,306,145	\$97,504,530	\$100,128,488	\$103,060,457	\$108,314,747	\$113,527,664
Average cost of a teacher	\$61,264	\$62,612	\$62,612	\$62,612	\$62,612	\$63,745	\$64,923	\$66,741	\$69,261
SBB ratios/metrics:									
Total teacher buying power	1,406	1,482	1,497	1,442	1,557	1,571	1,587	1,623	1,639
SBB per funded student	\$3,910.23	\$4,056.11	\$4,056.38	\$3,868.88	\$4,120.53	\$4,182.83	\$4,251.11	\$4,393.57	\$4,513.68
SBB as % of District revenue	55%	57%	55%	51%	54%	53%	51%	50%	49%

- Recession - Budget Reduction 3.5%

+ Voter + Approved 2010 Mill Levy

ELL removed from SBB and managed centrally

7) What impact did the “Great Recession” have on General Fund revenue, the budget, and Student-Based Budgets?

Beginning September 2009, the US economy encountered significant challenges during what is now called the “Great Recession.” In an effort to deal with the challenges presented by the related reduction in State formula funding, PSD reduced Student-Based Budgets and alternative school budgets by 3.5% or \$4.5 million. Non-school budgets were cut by 8-10%. This resulted in approximately \$13.7 million in total reductions over two years (2010-2011). Beyond specific reductions, the District actively managed compensation and program increases.

The greatest disparity was realized in FY2012-13 where State formula funding for the District was approximately 16% (\$32 million) below the amount calculated in accordance with state law. While the State reduced this gap to 12% (\$26.7 million) in FY2015-16, it is unlikely further advances can be made without structural changes to the State’s budget.

8) What impact did the 2010 Election have on General Fund revenue, the budget and Student-Based Budgets?

In November 2010, PSD voters approved \$16 million in a mill levy override to support school programs and operations. Included in this override is funding for student and classroom technology, funding direct school allocations of approximately \$6 million annually, support for standards and assessments, early childhood programming, kindergarten scholarships, new teacher mentoring, concurrent enrollment support and innovation grants.

School allocations flow directly to schools using a modified SBB formula beyond the standard formula, providing approximately \$250 more per student on top of the base formula. As promised in the ballot language, these dollars restored some of the \$4.5 million in reductions incurred by the schools in 2009 and provided additional funds for school-based programming as determined by each school.

9) Have there been any budget increases to schools outside of the SBB formula?

Yes. Recent District budgets have included restored and new support for English language learners, academic and behavioral staffing, mental health staff and assistant principals at all levels. While these resources do not flow through SBB (they are managed as part of central funds), they are allocated directly to school sites.